REPORT

OF THE

HOSPITAL SERVICES COMMISSION

OF

Prince Edward Island

FOR THE PERIOD APRIL 1, 1981 — MARCH 31, 1982

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HOSPITAL SERVICES COMMISSION OF P.E.I.

Mr. Claude Paynter
Chairman
Mr. J. Brendon McGinn
Executive Director

COMMISSIONERS:
Mrs. Sheila Trainor
Mr. Keith Harrington
Mr. Donald Munro
Dr. Athol Roberts (June 1981)

April 1, 1982

Honourable Albert A. Fogarty
Minister of Health & Social Services
Province of Prince Edward Island
Charlottetown, P.E.I.

Honourable Minister:

In accordance with Section 9(a) of the Hospital and Diagnostic Services Insurance Act, I have the honour to present the Report of the Prince Edward Island Hospital Services Plan for the period April, 1981 to March 31, 1982.

Respectfully submitted,

CLAUDE PAYNTER
Chairman
HOSPITAL SERVICES
COMMISSION OF
PRINCE EDWARD ISLAND

REPORT OF THE EXECUTIVE DIRECTOR
J. BRENDON McGINN, B. COMM.

INTRODUCTION:

The Hospital Services Commission of Prince Edward Island administers a plan of health care for the people of Prince Edward Island according to the provisions of the Hospital and Diagnostic Services Insurance Act and other relevant legislation. The Plan provides for a system of hospital care insurance for the people of Prince Edward Island universally available to all without regard to age, financial circumstances or condition of health. The Commission consists of not less than three and not more than five persons, of whom one shall be appointed from a slate of not less than three names proposed by the Prince Edward Island Hospital Association and one shall be appointed from a slate of not less than three names proposed by the Prince Edward Island Medical Society.

Commissioners serving during the year were: Mr. Claude Paynter, Chairman; Mrs. Sheila Trainor; Mr. Don Munro; Mr. Keith Harrington and Dr. Athol Roberts.

The administration of the Hospital Services Plan and the Health Services Plan are combined, though policy is determined by the two Commissions within the terms of reference of their separate Acts.

Day to day administration of the Plan is carried out through a Division of Claims and Assessment, a Division of Standards and Administration and a Division of Finance, each responsible to the Commission through the Executive Director. Medical care problems relating to the operation of the Plan are considered by a Medical Advisor who may seek advice from a Medical Advisory Committee of five physicians nominated by the Prince Edward Island Medical Society and appointed by the Commission.

The Medical Advisory Committee meets on an "as-required basis" and plays an important role in the smooth and efficient administration of the Plan.

Mr. Claude Paynter was appointed Chairman of the Hospital Services Commission by Executive Council in November of 1981. Dr. Athol Roberts was appointed to the Commission on October 22, 1981 succeeding Dr. L. E. Prowse.

COMMISSION MEETINGS:

The Hospital Services Commission held twelve regular meetings and one special meeting during the year. Attendance at these meetings is extremely high and the Commissioners exhibit a thorough interest in the affairs of the Commission and make a valuable contribution to the health delivery system of Prince Edward Island.

HOSPITAL PROGRAM:

Funding for hospital services and capital projects represents the largest segment of health care costs administered by the Commission. In 1981-82 a

total of $41.9 M was spent for insured hospital services. A total of 187,990 insured days for adults and children and 10,273 for newborns were provided.

An extensive array of health services are provided as fully insured benefits to hospitalized persons; however, for preferred accommodation, a hospital bills patients directly. In-patient benefits include:

- standard ward accommodation and meals
- necessary nursing services
- laboratory
- radiology and other diagnostic procedures
- drugs
- biologicals and related preparations
- use of operating room, case room, anaesthetic facilities
- routine surgical supplies
- use of radiotherapy, physiotherapy and occupational and speech therapy

Similarly, most out-patient services are insured except in certain cases where the hospital will charge for drugs and dressing such as take-home supplies, drugs.

HOSPITAL CONSTRUCTION:

During 1981/82 the Queen Elizabeth Hospital was brought practically to the completion stage. Queen Elizabeth Hospital replaced the Charlottetown Hospital and the Prince Edward Island Hospital and has a total of 351 active-treatment beds. The hospital provides three services which were previously operated in separate Government buildings: Psychiatry, Rehab and Laboratory services.

In addition to the construction of Queen Elizabeth Hospital, the Commission has continued the upgrading of our community hospitals through the implementation of phased programming with the financial resources allocated.

Prince Edward Island has 680 acute-care beds for a ratio of 5.6 beds per 1000 population.

DIVISIONAL REPORTS:

Your attention is directed to the reports of the Directors of the three divisions: Hospital Standards & Administration; Claims and Assessment, and Finance. Information of more detailed nature is available in these reports.

GENERAL:

I wish to express my thanks to the Hospital Services Commission for its consideration of the problems presented to it during the year. While I was not employed with the Commission for the full year I, nevertheless, realize the great contribution made by the members of the Commission. I also wish to express my thanks and appreciation to the Divisional Directors and their staffs for their contribution to the smooth and efficient operation of the Plan.

DIVISION OF HOSPITAL STANDARDS AND ADMINISTRATION
R. THELMA CAMERON, DIRECTOR

The Division of Hospital Standards and Administration is comprised of the following additional personnel:

Elizabeth Warwick — Dietary Consultant
John Beaton — Hospital Administration Consultant
Ann Langstroth — Nursing Consultant
Cecil McEachern — Microfilm Operator
Nancy MacKinnon — Secretary

During this reporting period, the staff of the Standards Division continued to exercise a high profile in relation to the various activities associated with the following programs for which this Division is responsible:

The Prince Edward Island General Hospitals
The Prince Edward Island Ambulance Operators Assistance Program
The Prince Edward Island Nursing Home Licensure Program
The Prince Edward Island School of Nursing and The School for Licensed Nursing Assistants

1. THE PRINCE EDWARD ISLAND GENERAL HOSPITALS

The personnel of our Division continued to monitor existing hospital activities through a series of scheduled visits, the assessment and adjudication of hospital requests for operating, educational, and capital programs and, as well, a continual review of budgetary requests and subsequent allocation in order to ensure an affordable and acceptable standard of care for our acute hospital patients.

Our on-going assessment of hospital staffing patterns, review of hospital by-laws and regulations, involvement in statistical studies and fact finding surveys formed the basis for this sphere of our Divisional activities.

In addition to these functions, some major hospital oriented projects with which I and our Consultants were involved during this fiscal year included:

Planning for the transfer of government employees to the acute care hospital system

Development of staffing patterns for the Queen Elizabeth Hospital

General Hospitals Classification Study

Prince Edward Island Hospital Association — Role Study Review

Salary Review for Hospital Management and Excluded Employees.

Specific hospital projects which were addreesed during this reporting year included:

Renovations to Nurses' Station and Floor Replacements at Western Hospital

Renovation and Expansion of Kitchen Facilities at Community Hospital

Construction and Renovation Plans, and Hook-up to the Village Sewage System at Stewart Memorial Health Centre

Up-grading of Medical Gas System at King's County Memorial Hospital

Renovations to Windows and Fire Escape at Souris Hospital

The following acute care hospitals were surveyed by the Canadian Council on Hospital Accreditation in September, 1981, and awarded a renewal of their Accrediation status:

Prince County Hospital

Western Hospital

2. THE PRINCE EDWARD ISLAND AMBULANCE OPERATORS ASSISTANCE PROGRAM

The subsidization provided to this program by the Prince Edward Island taxpayer for the reporting fiscal year amounted to $496,289.16. This funding represented reimbursement to the ambulance operators for a combination of 6,683 ambulance trips, 166,253 ambulance miles, and $56,000 in ambulance grants to fourteen licensed ambulances in ten Prince Edward Island locations.

The statistical activity associated with this program was adjudicated on a monthly basis, a contract was negotiated with the Ambulance Operators Association for the current year, and inspection procedures were carried out on an ad hoc and scheduled basis, the results of which culminated in the re-licensure of all fourteen ambulances and the associated personnel before the termination of the fiscal year.

3. THE PRINCE EDWARD ISLAND NURSING HOME LICENSURE PROGRAM

The following privately operated Nursing Homes, located in Charlottetown, Summerside and Kensington, were licensed under this Program during this reporting year:

Garden Nursing Home Limited
Kensington Nursing Home
Lennox Nursing Home
Livingston and MacArthur Nursing Home
Prince County Nursing Home
Sacred Heart Home
Wood Convalescent Nursing Home

These institutions, which collectively maintain a bed capacity of 413 residents, were inspected on an ad hoc basis by our Consultants, Directors of Nursing meetings were initiated, and inspections by the Provincial Fire Marshall, Boiler Inspector, Electrical Inspector, and Community Hygiene Health Officer were completed before the individual nursing home licenses were renewed for the ensuing fiscal year.

4. THE PRINCE EDWARD ISLAND SCHOOL OF NURSING AND THE SCHOOL FOR LICENSED NURSING ASSISTANTS

The Prince Edward Island School of Nursing continued to provide excellence in their standard of education at the basic nursing level to the following numbers of students enrolled in the three years of the School Program:

First Year — sixty-five students
Second Year — fifty-one students
Third Year — fifty students

The professional staff complement during this reporting year consisted of twenty-five Instructors who provided both theoretical and practical educational expertise to these aspiring registered nurses and licensed nursing assistants.

In May, 1981, fifty third-year students were graduated from the School and received their Registered Nurse degrees.

The Graduating Class achieved a rating of 595.0 on the national examination rating scale with effectively placed the School well above the Canadian mean of 548.3.

The Licensed Nursing Assistant Program continued under the direction of the Director of the School of Nursing with an enrollment of twenty-seven students completing their examinations and subsequently registered to practice in Prince Edward Island as Licensed Nursing Assistants.

During the reporting year, the personnel of this Division likewise participated in various projects or planning thrusts which had relevance for the health care system. Among the more noted of these activities were the following:

Committee for the Re-Usability of the Charlottetown and Prince Edward Island Hospitals

Advisory Committee Meetings for Laboratory, Rehabilitation, Mental Health, and West Prince Health Services

Health Negotiating Agency Contract Negotiations with the following Unions:

Provincial Collective Bargaining Committee
Canadian Union of Public Employees
General Hospital Employees Association

Atlantic Provincial Standards Meeting

Atlantic Labour Relations Meeting

Establishment of protocol to address the treatment of sexual assault victims

Workshop on Poison Control

Federal-Provincial Sub-Committee on Staffing Methodologies

Federal-Provincial Sub-Committee on Radiation Surveillance

Canadian Standards Association.

Statistical information relative to hospital utilization for fiscal year 1981-82 is recorded for information purposes:

COMPARISONS OF HOSPITAL USAGE, ETC.
HOSPITALS OF PRINCE EDWARD ISLAND
April 1, 1978 to March 31, 1982
Inclusive

	April 1 to March 31, 1979	April 1 to March 31, 1980	April 1 to March 31, 1981	April 1 to March 31, 1982
Number of Beds set up	686	678	678	682
Number of Bassinets set up	100	105	105	99
Total Patients Admitted (Adults, Children, Newborn)	27,950	28,049	27,621	27,516
Total Births in Hospitals	1,992	1,949	1,925	1,874
Adults & Children Patient Days	181,724	185,724	187,274	187,990
Newborn Patient Days	11,350	10,770	10,191	10,273
X-Ray Examinations	93,630	93,843	95,987	96,689
Laboratory Units of Work (Hospital)	1,022,927	1,123,443	1,150,164	1,257,763
Laboratory Units of Work (Prov. and Other Labs)	1,698,871	1,687,680	1,796,617	1,862,328
Operations in O.R.	13,961	14,476	16,180	23,117
Emergency Visits	78,713	90,239	97,566	82,813
Physiotheraphy Attendances	46,726	49,565	48,627	40,817
Electrocardiograph Exams	20,024	19,804	21,613	21,965
Meal Days	347,422	375,698	325,346	288,613
Nursing Staff (Includes School of Nursing & L.N.A. Program Staff)	658.5	662.5	662.5	664*
Other Staff	591	595	625	596*
Total Staff	1,249.5	1,257.5	1,287.5	1,240*

* This year, the staffing is reported in full-time equivalents.

DIVISION OF CLAIMS AND ASSESSMENT
J. R. HOBBS, DIRECTOR

The Division of Claims and Assessment is comprised of 40 full time staff and 2 part time physicians (Medical Advisors) who are responsible for processing both physician and hospital claims through a system of clerks and assessment rules to ensure that claims submitted are for insured services and are medically necessary.

The following represents three sections within the Division, which have separate and distinct functions and responsibilities:

A. **In-Province Claims Section**

Processes all claims (physician and hospital) that are incurred by insured residents within the Province of Prince Edward Island.

B. **Out-Of-Province Claims Section**

Processes all claims (physician and hospital) that are incurred by insured residents of Prince Edward Island in other Provinces of Canada or outside the country.

C. **Third Party Liability Section**

Responsible for the recovery of medical and hospital expenses paid out by the Commission when it has been ascertained that a third party was responsible for the expenses incurred. This Section also conducts field investigations pertaining to the eligibility status of residents and ex-residents of Prince Edward Island.

During the reporting period the Division of Claims continued to process all hospital claims incurred by residents of Prince Edward Island, whether treatment was received within or outside the province.

With the anticipated opening of the Queen Elizabeth Hospital scheduled for April, 1982, we notice a slight decline in the number of in-patient separations during the reporting year. Likewise, out-patient services declined during the latter part of the reporting year during the transition phase to the Queen Elizabeth Hospital.

In-Province Claims Section
S. C. Jay, Supervisor

The following table illustrates the historical picture since the year 1971 of the volume of in-patient and out-patient claims incurred at the general hospitals in Prince Edward Island.

Period/Year	In-Patient	Out-Patient
1971	24,343	68,627
1972	24,500	74,422
1973	25,200	84,553

1974	26,207	98,098
1975	26,491	104,858
1976	27,205	106,480
1977	27,558	111,234
1978	27,920	123,918
1979	28,084	124,396
1980	27,380	127,965
1981	26,991	141,744
1982	26,135	112,354

The processing of all hospital claims is largely a manual operation utilizing the services of the Computer Services Division for the production of responsibility lists and the capturing of data for statistical purposes. The manual system in processing the claims is integrated with the processing of claims for physician services, whereby the information is placed manually on a unit record system utilizing the individual's Social Insurance Number.

Commencing April 1, 1981, a new reciprocal billing arrangement was implemented for hospital in-patient services provided to residents of the Atlantic Provinces. Other provinces were included on October 1, 1981. Under the arrangement, the Hospital Plan in each province will process all admission and separation forms for insured in-patient services rendered within provincial borders, with provision for periodic settling of accounts between provinces. It is anticipated that this system will result in improving the processing of hospital claims at both the Commission and out-of-province level.

Out-Of-Province Claims Section
Miss Marion E. MacLeod, Supervisor

The Out-of-Province Claims Section processes all claims for eligible residents, relative to services rendered outside the province.

During the fiscal year April 1, 1981 to March 31, 1982, a total of 2,639 applications for referral were processed for out-of-province treatment. The applications comprise new cases, as well as those for residents returning for continuity of treatment.

The cost for out-of-province hospital services amounted to $6,145,481.00 for the fiscal year April 1, 1981, to March 31, 1982. Included in the costs are payments made for emergency services outside the province for Island residents absent for educational purposes, vacation and ex-residents awaiting coverage in their new province of residence.

It must be noted that Prince Edward Island, because of its population base, cannot provide the high technological and specialized services that are available in the large teaching centres such as Halifax, Montreal and Toronto. Daily rates payable for standard ward accommodation in these larger centres are now in excess of $350.00 per day. With advancements being made in ultra sophisticated diagnostic techniques, residents of Prince Edward Island will continue to be referred to these centres of excellence.

Third Party Recovery Section
W. H. Dixon, Supervisor

The Third Party Recovery Section is responsible for investigating and, where possible, recovering all monies paid out for both hospital and medical treatment where it has been determined that a third party was the cause of illness or injury for which the patient received treatment.

In addition, all field investigative work pertaining to both motor vehicle accidents and eligibility status of registrants is conducted by this Section.

The following represents the dollar recovery for the periods noted, as well as the volume of third party files requiring investigation.

Recovered Hospital Costs*

April 1, 1981 — March 31, 1982 ..... $80,451.27

*Does not include physician services claims also recovered by this Section.

Files Requiring Investigation

April 1, 1981 — March 31, 1982

Opened	Non-Payment Settlement	Non-Vehicular	Recovered	Pending	W.C.B.
1013	608	39	215	62	9

Under the auspices of the Council of Maritime Premiers, discussions are continuing with the Insurance Bureau of Canada to determine if, rather than investigating and settling on a claim-by-claim basis, some other form of recovery may be possible. It is anticipated that there will be further developments in this area.

DIVISION OF FINANCE
DAVID MACCORMAC — DIRECTOR

The Commission's payments to Island Hospitals for operating expenses increased by 12% over Fiscal Year 1980-81 which amounted to $3,212,672.

Wages and inflation were primary factors for additional costs in the Hospitals. Totals expenditures include the P.E.I. School of Nursing at $879,000 and Debt charges of the Queen Elizabeth Hospital and the Prince County Hospital at $3.9 M.

An increase of $2,246,729 in Out-of-Province care cost was created in part by changing the accounting treatment of this account. Costs were previously recorded on a cash basis and the change to the accrual method now provides for consistency of reporting for all expenditures. The Accounts Payable now include $1,167,359 for Out-of-Province care, therefore the comparative increase from 1980-81 is 27.7%.

AUDITORS' REPORT

To the Commissioners of the Hospital Services Commission of Prince Edward Island.

We have examined the balance sheet of the Hospital Services Commission of Prince Edward Island as at March 31, 1982 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

The receipt of the amount $1,481,284, which is the excess of expenditure over revenue for the current year, is dependent upon final approval by the provincial government.

In our opinion, except for the effects, if any, on the financial statements of the resolution of the matter referred to in the preceding paragraph, these financial statements present fairly the financial position of the commission as at March 31, 1982 and the results of its operations for the year then ended in accordance with generally accepted governmental accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond
Chartered Accountants

Charlottetown
Prince Edward Island
August 30, 1982

HOSPITAL SERVICES COMMISSION OF PRINCE EDWARD ISLAND
BALANCE SHEET
MARCH 31, 1982

ASSETS	1982	1981
Current		
Cash	$ 80,026	$ 25
Term deposit	57,380	48,937
Receivables		
Provincial Government — hospital program (Note 2)	1,480,737	1,637,918
Advance to out-of-province hospital (Note 3)		100,000
Local Hospitals		17,318
Health Services Commission		28,008
Other	24,590	586
	1,642,733	1,832,792
Office equipment, at nominal value	1	1
	$1,642,734	$1,832,793
LIABILITIES		
Current		
Bank indebtedness		$1,454,518
Payables and accruals (Note 4)	1,518,531	178,145
Payable — Health Services Commission	24,073	
	1,542,604	1,632,663
Provincial Government, working capital fund	100,130	200,130
	$1,642,734	$1,832,793

HOSPITAL SERVICES COMMISSION OF PRINCE EDWARD ISLAND
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31, 1982

	1982	1981
Revenue		
Provincial Government appropriations	$40,237,300	$34,592,600
Health Resources Grant — Queen Elizabeth Hospital		1,198,070
Third party recoveries	114,983	91,151
Manpower training assistance — LNA school	55,728	67,280
Investment income	8,443	5,639
	40,416,454	35,954,740
Expenditure		
In-province hospitals	33,814,115	29,359,132
Queen Elizabeth Hospital, construction grant		1,198,070
Preferred accommodation	143,084	127,649
Out-of-province hospital care	6,145,481	3,898,752
Ambulance service	496,177	430,688
Canadian Red Cross Society, blood transfusion service	643,898	507,474
	41,242,755	35,521,765
Administrative	654,983	528,718
	41,897,738	36,050,483
Excess of expenditure over revenue (recoverable from Provincial Government)	$ 1,481,284	$ 95,743

HOSPTIAL SERVICES COMMISSION OF PRINCE EDWARD ISLAND
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1982

1. Accounting policies

   (A) Administrative expenditures
   Administrative expenditures common to the Health and Hospital Services Commission of Prince Edward Island are allocated to the Health and the Hospital Services Commissions 53% and 47% respectively.

   (B) Capital expenditures
   Since 1970 capital expenditures are charged to operations in the year of acquisition.

2. Receivable, Provincial Government - hospital program

	1982	1981
Balance of appropriation approved for current year	$ (547)	$1,344,105
Health Resources Grant - Queen Elizabeth Hospital		198,070
Excess of expenditures over revenue	1,481,284	95,743
	$1,480,737	$1,637,918

The excess of expenditure over revenue for the current year has been recorded as a receivable. The receipt of such account is dependent upon final approval of the financial statements by the Provincial Government.

3.

Advance to out-of-province hospital	1982	1981
Izaak Walton Killam Hospital	$ Nil	$ 100,000

Advance authorized February 24, 1975 for services to Prince Edward Island patients. The advance was refunded during the current year.

4.

Payables and accruals	1982	1981
Local hospitals and approved facilities for for laboratory costs, deficits and major equipment purchases	$ 220,526	$ 35,905
Local hospitals for preferred accommodation	48,137	100
Local hospitals for services to non-resident patients	11,654	
Canadian Red Cross	4,120	36,206
Ambulance operators	39,258	34,115
Out-of-province hospital care, net	1,167,359	
Queen Elizabeth and Prince County Hospitals for construction and interest costs		61,431
Other	27,477	10,388
	$1,518,531	$ 178,145

PUBLIC GENERAL HOSPITALS IN PRINCE EDWARD ISLAND
COMPARISON OF GENERAL EXPENSES

	1981-82 Actual	1980-81 Actual	1981-82 Increase Over 1980-81
Salaries	$19,583,255	$17,477,006	12.1
Drugs, Medical/Surgical Supplies	2,292,232	2,112,002	8.5
Employee Benefits	1,495,593	1,150,028	30.0
Other Supplies and Expenses			
Diagnostic and Treatment Services	2,198,367	2,185,245	-§-NOTE
Administration	557,844	445,653	25.1
Operating	3,554,944	3,058,620	16.2
Equipment	159,991	201,000	(−)20.2
Sub-Total	$29,842,226	$26,629,554	12.1
Offset Income	2,027,950	1,739,644	16.6
Net Expenditures	$27,814,276	$24,889,910	11.7

NOTE: Radiology Salaries have been reduced by transfer to Health Services, as most Radiologists changed from a hospital salary option, to a Fee-For-Service under Medicare.

PUBLIC GENERAL HOSPITALS IN PRINCE EDWARD ISLAND
PER DIEM RATES
EFFECTIVE APRIL 1, 1981 — MARCH 31, 1982

CHARLOTTETOWN HOSPITAL	$170.00
PRINCE EDWARD ISLAND HOSPITAL	$170.00
PRINCE COUNTY HOSPITAL	$160.00
WESTERN HOSPITAL	$110.00
KING'S COUNTY MEMORIAL HOSPITAL	$145.00
COMMUNITY HOSPITAL	$120.00
SOURIS HOSPITAL	$110.00
STEWART MEMORIAL HEALTH CENTRE	$125.00
NEWBORN	$ 30.00
DAY CARE SURGERY	$ 60.00
PSYCHIATRIC DAY CARE WITH ELECTRO CONVULSIVE THERAPY	$ 40.00
PSYCHIATRIC DAY CARE WITHOUT ELECTRO CONVULSIVE THERAPY	$ 30.00